

Idaho Travel Council Meeting
May 4 & 5, 2009
Sun Valley, Idaho

MINUTES

Council Members Present

J.J. Jaeger, Region I
Frances Conklin, Region II
John Webster, Region IV
Bill Code, Region V
Tadd Jenkins, Region VI
Brent Gillette, Region VII
Paul Norton, Member At-Large

Council Members Absent/Excused

John May, Region III

Commerce Staff Present

Don Dietrich, Director
Karen Ballard, Administrator, Tourism
Brian Dickens, Administrator, Innovation
Cathy Bourner, Tourism
Kellie Reed, Tourism

Guests Present

Bill Drake, drake/cooper
Josh Mercaldo, drake/cooper
Constance Funkhouser, Island Park Chamber
Anne Chambers, Idaho RV Campground Assn.
Bobbie Patterson, Boise CVB
Rick Certano, McCall Chamber, SWITA, ISAA, Brundage
Jared Montague, SWITA, McCall Chamber, PRM, Brundage
Ruhi Zandra Quinn, Xian Carmel Info Consultant Company
Mark Moran, Narom Designs
Jeanne Rogers, Teton Valley Chamber
Julie Bryan, Teton Valley
Reid Rogers, Teton Valley Chamber
Dani Zibell-Wolfe, Coeur d'Alene Chamber
Debbie Dane, Southern Idaho Tourism
Amy Little, Sandpoint Chamber
Diane Newman, Southern Idaho Hospitality
Debbie Evans, Kamiah Chamber
Kristy Lynd, Kamiah Chamber, Lewis-Clark Resort
Debbie Fox, Sun Valley Chamber Board Member
ReNea Nelson, McCall, Cascade, Garden Valley, Warhawk, PRMVA, SWITA
Wes Nelson, SWITA, Southfork Landing
Debbi Long, SWITA, Cascade Raft & Kayak
Amy Sinclair, Salmon River Chamber, NCITA, Exodus Wilderness Adventures
Scheid, Hunt Properties Idaho
Heather Killgore, Killgore Adventures & NCITA
Crystal White, Hells Canyon Visitors Bureau
Lisa Jenkins, My Marketing People
Michelle Peters, Hells Canyon Visitors Bureau
Mark Lowe, Pioneer Country Travel Council
Judy Holbrook, Bear Lake CVB
Bridget Losee, Pioneer Co. Travel Council

Monday, May 4, 2009

Meeting Called to order to Chairman Brent Gillette, followed by welcome and introductions.

Motion – It was moved (Jenkins) and seconded (Jaeger) that the minutes of the March 17-18, 2009 meeting be approved as written. Motion passed.

Director's Update- Don Dietrich thanked the council for the work they do on behalf of Idaho's tourism industry. He reported that not much had changed since his last report in March to the council. The department is awaiting its budget from the legislature, and also awaiting instructions on how to handle the reduction in personnel costs. Dietrich told the council that Governor Otter argued aggressively to allow department directors to control and determine how the 5% reduction is met, but until the legislature acts, it is unknown if it will be a full 5% salary reduction, or whether or not 2% of the 5% will be covered by stimulus or rainy day funds. Departments are planning on a full 5% reduction out of budgets for 2010.

Dietrich reported to the council on Project 60, the Governor's comprehensive initiative to grow Idaho's gross domestic product from \$51.5 to \$60 billion. As part of the systemic growth aspect of the program, an Innovation Council was recently launched. This council replaces what was once known as the Science & Technology Council and will work to remove barriers that currently exist to better promote jobs internally throughout the state. Brian Dickens will staff this council, as well as work on the EB5 program which solicits investment funds from individuals from international locations in search of green cards. Dietrich told the council that with the recent establishment of the Innovation Council, three councils are now in place to advise the Department of Commerce: the Idaho Travel Council, the Economic Development Advisory Council, and now the Innovation Council.

He reported that domestically, it is a good news/bad news story. Credit markets remain tight making it difficult to move forward to recruit companies. The department has a current list of 40 companies that staff is working to entice to bring their business to Idaho. Dietrich told the council he works almost on a daily basis trying to find working capital.

On the international front, Dietrich told the council that a great amount of staff time is spent on developing export markets. A delegation from Mexico visited Idaho lumber companies last week and their visit shows some real promise. Three staff members are dedicated to domestic recruitment, however all divisions cross over to react to the market and spread resources in business recruitment.

Although the department will work with a 14% lower budget than the current year, Dietrich told the council that some funds were targeted to Project 60 and he feels relatively good and positive and hopes for a mid-2010 upturn.

Chairman Brent Gillette asked Dietrich about filling the tourism position that was vacated by Kathleen Haase. Dietrich told the council that it is very unlikely that this will happen. He also said that he has identified some funds that would be reverted so he may have an opportunity to capture some of those and apply in two areas, film efforts being one of them. He will meet with the Lt. Governor to discuss the possibilities but in this economic environment, Dietrich told the council that things are difficult.

Grant Program Discussion

Dani Zibel-Wolfe, Coeur d'Alene Chamber of Commerce, appeared before the council to share concerns about the implementation of the new ITC Grant Rules. Major concerns brought to the council include the change in philosophy about co-op advertising and the requirement that there should be no question that the event, attraction, or property partnered with the grantee is a contributor to the message to visit the area. Zibel-Wolfe told the council that grant recipients have determined that they are best served when they can promote specific attractions or events that are the reason visitors want to come to their communities. She feels it premature to move away from that approach without a thorough conversation of the implications of this rule change.

She also told the council that the raising of cash match and funding of the costs of administering an ITC grant are two of the biggest challenges facing grantees and that one source of cash match and administrative funds has been the sale of advertising in brochures and other print pieces. Zibel-Wolfe told the council that to prohibit the use of advertising revenues from brochures for anything except the cost of brochure creation is a change that needs to be clarified.

Zibel-Wolfe told the council that she feels the rules are confusing and poorly written and at present, two versions of the Grant Handbook are posted on the web site. She said it places the grantee in a difficult situation of creating a grant proposal without a complete set of rules to work from. In addition, she feels the wording in parts of the draft is unclear and perhaps not completely edited. Given these concerns, Zibel-Wolfe asked the council to delay implementation of the new draft guidelines until they can be reviewed by a committee that includes ITC members, grantees, staff and former ITC members and put into final form for approval by the Council.

Council member John Webster thanked Zibel-Wolfe for her comments and told her the council's goal is to make the rules as clear as possible, yet allow for flexibility.

Karen Ballard told the council that the sections of the guidelines that Zibel-Wolfe has concerns about are sections that can be modified by the council as the needs arise. She said the guidelines are a living document and are not dependent on the October deadline which is required for the grant program rule changes that must be presented and approved by the Legislature.

Chairman Gillette told Zibel-Wolfe that a committee did work on the rules and guidelines with the goal of making them both easier for the grantee and the grant manager. Council member Jaeger said that he and council member Paul Norton met with Zibel-Wolfe to review her concerns and agree that from the council's perspective the guidelines are adequate but from the perspective of having to use the guidelines to prepare a grant application, it is challenging. He said that it makes sense to include a representative from Region I on an ongoing committee to continue working on guideline revisions. Karen Ballard told the council that the only changes to the rules are to loosen up the restrictions and she is reluctant to delay the changes proposed to the rules. Ballard also reminded the council that changes to the guidelines about co-op advertising were thoroughly discussed at

the October and January council meetings and it was clear to her that the council understood the consequences of the proposed changes. She also reviewed the decision made by the council at the January 2009 meeting that a 12.5% match requirement for co-op opportunities with reimbursement at 87.5% be adopted. Dani Zibel-Wolfe told the council that this requirement would not be difficult for Coeur d'Alene, but it would affect and cause a hardship to smaller grantees such as NITA. Council member Frances Conklin said she has not heard of the requirement causing difficulties for grantees in Region II, and Chairman Gillette said it hasn't been a problem in Region VII either. Ballard said it is important that private sector participants in co-op ads pay to play and the intent of the cash match requirements is to avoid private sector businesses being advertised with public funds. Council member Tadd Jenkins told Zibel-Wolfe that the council is supportive of co-op advertising and their goal is to make the process easier for all involved, but the bottom line goal of the council is to stretch limited grant dollars as far and as fairly as possible. Council member John Webster said that it is difficult to create rules and guidelines that cover every situation that might arise, because the needs vary so much throughout the state and that the council's goal is to avoid unintended consequences, which allowing flexibility in the program.

Another area of concern that Zibel-Wolfe brought to the council is the prohibition of the use of advertising revenues from brochures for anything except the cost of brochure creation. Ballard said that the council's decision is based on adhering to principles of proper accounting.

After further discussion, the council agreed that a committee should continue to work through the process of proposing changes in the guidelines and bring them to the council for discussion. Ballard suggested that Bobbie Patterson and Carol Waller continue to serve on the committee and ask for volunteers during the Regional Caucuses, as well as survey monkey. Anne Chambers, IRVCA, volunteered to serve on the committee bringing the perspective of a small, multi-region grantee.

Tadd Jenkins suggested, and the council agreed, that an extra day be added to the August meeting for the specific purpose of reviewing the grant guidelines and addressing issues and concerns that still exist. He suggested that the committee be invited to participate in the meeting also. He also suggested that grantees be asked to submit questions, concern and suggestions via e-mail in order to get as much input as possible.

Amy Little, Sandpoint Chamber of Commerce, told the council that they appreciate funds received through the grant program but in talking with other grantees, they feel the need to address open communication with the council and try and get a sense of the direction the council is going. She also said better communication about the process of funds distribution as well as the amount of grant awards needs to be improved. Little said she was unaware of a process in place that anyone dissatisfied with their grant award could pursue. She also said that each council member has a different process for awarding grants so what works in one area (regular meetings and discussions with representatives) doesn't hold true in others. She feels there is a need for better communication from council members on why an award was cut.

Council member John Webster asked Ms. Little to identify the other grantees that share her concerns. He also said it was difficult for the council to not receive the courtesy of receiving notice of Senator Keogh's proposed legislation until it came before the committee. Little told the council that she felt she had informed the council during last year's grant presentation that the Sandpoint grant award was not keeping pace with collections, and was dismayed that the council cut their proposal by \$40,000. She also said she didn't have time to inform the council about Senator Keogh's proposed legislation and even if she had, she didn't think she was allowed to contact council members. She feels there is a barrier between the council and the grantees. Chairman Gillette told her that the program works both ways and that grant awards are not only based on room tax collections. He cited Stanley as an example. Tadd Jenkins told Little that it comes down to selling the grant proposal. He said the council is all about programs that put people's heads in beds and that if another grantee in the region comes forward with a better idea, chances are the council will award the better idea. Ms. Little told the council that it is not just Sandpoint that has concerns or issues with the process, lack of communication and confusion. Chairman Gillette said the council wants to hear these concerns and asked Little to urge other grantees with concerns to discuss their concerns with the council representative. He also told Little that each year, council members have to make difficult choices and are unable to fully grant each and every grant proposal that is presented to them. Ms. Little also voiced her concern about not being informed when council position are open. Council member Frances Conklin told Little that council members are appointed by the Governor and it is not the council's role or responsibility to address appointments in program guidelines. Karen Ballard suggested that a page be placed on the tourism.idaho.gov site to link to council members. This would enable grantees or potential grantees to contact any council members with their questions, concerns and suggestions. The site could also link to the Governor's office site for board/council appointments.

Chairman Gillette thanked Ms. Little for bringing her concerns to the council. Bobbie Patterson, Boise CVB Director and Bill Drake, drake/cooper, both offered to assist Ms. Little with her grant proposal and program in any way possible.

Meeting adjourned for the day.

Tuesday, May 5, 2009

Meeting called to order by Chairman Brent Gillette, followed by welcome and introductions.

Grant Presentations – The following grants proposals were presented to the council for their consideration.

Sun Valley/Ketchum Chamber & Visitors Center
Sandpoint Chamber of Commerce
North Idaho Tourism Alliance
Coeur d'Alene Chamber of Commerce
Teton Valley Chamber of Commerce
Idaho RV & Campground Association
Southern Idaho Tourism/SCIRTA

Twin Falls Area Chamber of Commerce
SWITA
McCall Chamber
Idaho Outfitters & Guides Association

Budget Update – Karen Ballard reviewed the latest financial reports with the council. She told the council that a 15% loss for the balance of year is projected. Anticipated reductions in the budget include approximately \$79,000 in administration; approximately \$350,000 in the statewide program, and approximately \$350,000 in the regional grant program. Almost \$6,000 has been set aside in a contingency account. At the end of March, statewide collections were down 4.77%. Ballard will provide the council with April collections when reports come in. She is confident that expenses are on track and that cuts that have been made will not cause harm to the program and overall goals.

Advertising Agency Updates – Bill Drake and Josh Mercaldo, drake/cooper updated the council on a variety of projects including:

Operation Gary – Itinerary is in final stages of development. Approximately 50 inquiries/submissions have been received as a result of press coverage throughout Idaho and in Seattle and casting started on April 13. Selection of the featured family is scheduled for early June, with filming beginning in mid-June. As many Idaho destinations as possible will be featured in the project.

FSI Updates – The summer FSI will drop May 31, 2009 in Boise, Coeur d'Alene, Idaho Falls, Lewiston, Nampa, Pocatello, Twin Falls, Portland, Salt Lake City, Spokane and Seattle, with a total circulation of 500,000.

Site Updates – A new whitewater site and a new digital page are now active.

ITC Advertising Awards – Bill Drake told the council the ITC Adventures in Living campaign won multiple gold and silver Rockie awards for best consumer magazine campaign at the Idaho Ad Federation Rockies Show. The film office "Be a Good Scout Handbook" won best in show. Both will compete in the national awards completion in mid-May.

Grant Presentations – Presentations continued with the following grants proposals presented to the council for their consideration.

North Central Idaho Travel Association, Inc.
Lewiston/Hells Canyon Visitor Center
Post Falls Chamber
Pioneer Country Travel Council
Bear Lake Valley CVB
Salmon River Chamber
Boise CVB
Pocatello/Chubbuck Auditorium District
Snake River Territory CVB
Idaho Ski Areas Association

National Old Time Fiddlers Contest
Yellowstone Teton Territory

Election of Officers – The council unanimously elected Tadd Jenkins to serve as Council Chair and John May to serve as Council Vice-Chair.

Director Don Dietrich presented appreciation plaques to Brent Gillette and John Webster for their service on the council. Gillette and Webster expressed their pleasure with serving on the council for the past six years and pledged to continue their support of the council and Idaho's tourism industry.

Other Business – Future Meeting Dates:
August 4-5, 2009 – Sandpoint (Schweitzer Mountain Resort)

Meeting adjourned.

